

Order Authorizing Issuance of Unlimited Tax School Building Bonds

May 28, 2013

SUMMARY:

Consider an order authorizing the issuance of Denton Independent School District Unlimited Tax School Building Bonds; establishing procedures for the sale and delivery of the bonds; levying an annual ad valorem tax for the payment of said bonds; authorizing execution of a bond purchase agreement; and enacting other provisions relating to the subject.

BOARD GOAL:

VI. Growth, Change & Fiscal Responsibility... In pursuit of excellence, the district will:
b. create and continuously modify strategies to mitigate increasing stresses on our children, our schools, and our community.

PREVIOUS BOARD ACTION:

None

BACKGROUND INFORMATION:

The sale of bonds was discussed with the Board during the March 19, 2013 and May 14, 2013 meetings.

SIGNIFICANT ISSUES:

The issuance of \$45.0 million of bonds will fund the construction of Elementary School No. 22, the purchase of land, planning costs for new High School No. 4 and other projects from the 2007 Bond Program.

FISCAL IMPLICATIONS:

The bonds will be sold with a fixed rate to lock-in historically attractive interest rates currently available. The bonds will be structured to maintain an I & S tax rate of 49 cents. They are to be repaid over a 30 year period and structured to allow the District to prepay the bonds prior to scheduled maturity.

BENEFIT OF ACTION:

The sale of bonds would allow the District to move forward with the construction of Elementary No. 22 and planning for future projects.

PROCEDURAL AND REPORTING IMPLICATIONS:

The Board of Trustees would designate the ability to approve the issuance of the Series 2013 Bonds to the District's Administration, as long as certain parameters included within the Bond Order approved by the Board of Trustees are met.

SUPERINTENDENT'S RECOMMENDATION:

Recommend approval of the Order Authorizing the Issuance of the Denton Independent School District Unlimited Tax School Building Bonds, Series 2013 with the following parameters:

1. A maximum of \$45,000,000 (principal amount) may be issued;
2. The true interest cost rate (TIC) does not exceed 5.00%;
3. The final maturity may not exceed August 15, 2043; and
4. The District must complete the sale on or prior to November 28, 2013 (six months after the "Parameters Bond Order" is adopted).

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Assistant Superintendent of Administrative Services

ATTACHMENT:

Draft - Order Authorizing the Issuance of Denton Independent School District Unlimited Tax School Building Bonds

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Assistant Superintendent: _____

Signature of Superintendent: _____